

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 10, 2012

Bret Lane, Vice-President
Transmission and Distribution
Southern California Gas Company
8330 Century Park Court
ML CP33C
San Diego, CA 92123

GA2012-29

SUBJECT: General Order (G.O.) 112-E Compliance Inspection of Southern California Gas (SoCalGas) Company's Orange Coast Distribution Region

Dear Mr. Lane:

The staff of the Consumer Protection and Safety Branch (CPSD) of the California Public Utilities Commission conducted a G.O. 112-E compliance inspection of SoCalGas' Orange Coast Distribution Region (Region) from July 9 – 13, 2012. The audit included a review of the Region's records from the period of July 2011 to July 2012 and random inspections of pipeline facilities. CPSD staff also reviewed the Region's operator qualification records, which included field observation of randomly selected individuals performing covered tasks.

CPSD staff identified probable violations of G.O. 112-E, Reference Title 49 Code of Federal Regulations (CFR), Part 192 during the audit. CPSD's findings are noted in the Summary of Audit Findings which is enclosed with this letter.

Please provide a written response within 30 days of receipt of this letter, indicating corrective actions taken by SoCalGas to mitigate and prevent recurrence of these conditions. Pursuant to Commission Resolution ALJ-274, CPSD staff has the authority to issue citations for each violation found during the audit. CPSD will notify SoCalGas of the enforcement action it plans to take after it reviews SoCalGas' audit response.

If you have any questions, please contact Jerry Palo Jr., at (213) 576-5719.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Robertson".

Michael Robertson, P.E.
Program Manager
Gas Safety & Reliability Branch
Consumer Protection and Safety Division (CPSD)
Enclosures:

Attachment 1: Summary of Audit Findings

Attachment 2: List of 10% short pipeline segments with 2001 reads

Attachment 3: List of 10% short pipeline segments with no pipe-to-soil reads

Attachment 4: List of 10% short pipeline segments with low pipe-to-soil reads

Attachment 5: Work Orders

cc: Jerry Palo Jr., CPSD
Adriana Crasnean, CPSD
Joel Tran, CPSD

ATTACHMENT 1 – Summary of Audit Findings

GO 112-E inspection of Southern California Gas Company Orange Coast Distribution Region

1. Title 49 CFR §192.161 – Supports and Anchors

§192.161(d)1 ...A structural support may not be welded directly to the pipe.

CPSD inspected the Raymer and Gilbert Regulator Station in Fullerton and noted that the saddle supporting the main run was welded directly to the pipe. Please provide CPSD the date when this pipeline structure was welded to the main pipeline and the measures the Region will take to address the situation.

2. Title 49 CFR §192.465 – External Corrosion Control: Monitoring

§192.465(a) ...However, if tests at those interval are impractical for separately protected short sections of mains or transmission lines, not in excess of 100 feet (30 meters), or separately protected service lines, these pipelines may be surveyed on a sampling basis. At least 10 percent of these protected structures, distributed over the entire system must be surveyed each calendar year, with a different 10 percent checked each subsequent year, so that the entire system is tested in each 10-year period.

- A. CPSD reviewed the list of isolated sections of pipeline that were inspected for cathodic protection in 2001. These same sections of pipeline were to be inspected by 2011 as required by 49 Title CFR §192.465(a). The Region could not provide records demonstrating that the isolated sections of pipeline listed in Attachment 2 were inspected by 2011. Please review Attachment 2 and provide the most recent dates and pipe-to-soil reads for each location and an explanation why there were no records indicating that these sections of pipeline were inspected by 2011. If the most recent pipe-to-soil reads of the pipeline segments listed in Attachment 2 were inadequate, please describe the corrective actions taken by the Region.
- B. CPSD also found isolated sections of pipeline that were inspected for cathodic protection in 2001 that did not have complete records indicating the same sections of pipeline were inspected in 2011. Please review Attachment 3 and provide the most recent dates and pipe-to-soil reads for each location and an explanation why the 2011 records were incomplete. If the most recent pipe-to-soil reads of the pipeline segments listed in attachment 3 were inadequate, please describe the corrective actions taken by the Region.

3. Title 49 CFR §192.465 – External Corrosion Control: Monitoring

§192.465(d) requires the operator to take prompt remedial action to correct any deficiencies indicated by monitoring.

- A. CPSD reviewed the cathodic protection records for the isolated sections of pipeline that were inspected in 2011 and noted that the locations listed in Attachment 4 did not have adequate pipe-to-soil potentials. The Region could not provide records demonstrating the corrective action taken for the isolated sections of pipeline that had inadequate pipe-to-soil potentials. Please review Attachment 4 and provide an update of the corrective actions taken for these locations, the current cathodic protection readings, and an

explanation why there were no additional records available indicating the action taken by the Region for each location.

- B. During the audit, CPSD inspected the cathodic protection on the isolated section of pipeline located at 13875 Artesia Blvd in Downey, listed in Attachment 3. A pipe-to-soil read of -0.55V, which did not meet the -0.85V criteria, was obtained during the inspection. According to the Region's cathodic protection records, this location was to be inspected by 2011; however, the record in 2011 for this location was incomplete. Please advise CPSD the date this location was inspected in 2011 and the pipe-to-soil read taken. In addition, please describe the action taken by the Region to correct the cathodic protection at this location.

4. Title 49 CFR §192.467 – External Corrosion Control: Electrical Isolation.

§192.467(b)...One or more insulating devices must be installed where electrical isolation of a portion of a pipeline is necessary to facilitate the application of corrosion control.

CPSD inspected the piping from the meter-set-assembly (MSA) at the Anaheim district base and determined that the MSA was not properly insulated from its anchor as required by Title 49 CFR §192.467(b). Please describe the action the Region engaged in to correct this violation.

5. Title 49 CFR 192.491 – Corrosion Control Records.

§192.491(a)...Each operator shall maintain records or maps to show the location of cathodically protected piping, cathodic protection facilities, galvanic anodes, and neighboring structures bonded to the cathodic protection system.

CPSD reviewed the map of Cathodic Protection Area (CPA), Package SL-CO864_E_C in Whittier, and noted that the map was not updated to reflect completion of Work Order #76805-005. The Work Order was completed on January 1, 2003; however, the Work Order and "Completion Sketch" attached to the map indicated the work was still under the proposal stage. Therefore, the Region was in violation Title 49 CFR, §192.491(a). Please explain why the map of CPA Package SL-CO864_E_C was not updated and the action the Region engaged in to correct the map.

6. Title 49 CFR §192.707 – Line Markers for Mains and Transmission Lines

§192.707(c) Pipeline aboveground...Line markers must be placed and maintained along each section of a main and transmission line that is located aboveground in an area accessible to the public.

CPSD inspected regulator stations in Anaheim (Orangethorpe and Rose) and Fullerton (Raymer and Gilbert) and noted that there were no aboveground markers as required by Title 49 CFR §192.707(c). Please explain why the pipeline markers were missing and advise CPSD on the action taken by the Region to correct these violations.

7. Title 49 CFR §192.751 – Prevention of Accidental Ignition.

§192.751(c) Post warning signs, where appropriate.

The regulator stations in Anaheim (Orangethorpe and Rose) and Fullerton (Raymer and Gilbert) also did not have safety or warning signs posted in the enclosures as required by Title 49 CFR §192.751(c). Please explain why the signs were missing and advise CPD on the action taken by the Region to correct these violations.

8. Title 49 CFR §192.805 – Qualification Program

§192.805(b)...Ensure through evaluation that individuals performing covered tasks are qualified;

CPD reviewed Work Order # 520000243821 and discovered that the individual performing the pipeline patrol (William Hitt) of pipeline 35_6416 on January 5, 2012 in the Anaheim district was not qualified. SoCalGas performs a requalification of covered tasks every 5 years and William Hitt's qualification was not renewed in 2008. Please advise CPD on the action taken by the Region to correct this violation.

9. Title 49 CFR §192.805 – Qualification Program

§192.805(f)...Communicate changes that affect covered tasks to individuals performing those covered tasks;

During record review, GSRB staff found inconsistencies in employees completing service orders for buried pipelines that are exposed. According to SoCalGas standard 186.02, this document was reviewed and revised in November 2010. Identifying buried pipelines that were exposed were to be marked with the revised condition code "L-1", instead of the old condition code "LR-1." However, the following service orders that were completed after the November 2010 revision still used the old condition code designation "L-1." Please advise CPD on the action taken by the Region to correct this violation.

The following service work orders are itemized below:

Work Order #	Date	SoCalGas employee (last name)
#2063061	November 30, 2012	Rivera
#2053236	July 25, 2011	Hitt
#2043512	July 1, 2011	Baker

See Attachment 5 – Work Orders

10. Recommendations and Concerns

- A. CPD noted that the MSA located at 14190 Firestone Blvd in Santa Fe Springs was susceptible to damage that could be caused by vehicular traffic. CPD recommended that the MSA be protected by a barrier. Please provide an update on the status of this recommendation.

B. CPSD noted in Attachment 4 that a cathodic protection inspection of the isolated section of pipeline at 14158 Firestone Blvd in Santa Fe Springs was conducted by the Region on May 3, 2011. CPSD visited this location and discovered that there were no gas facilities present. Please explain why there were no gas facilities present at this location.